



US Army Corps
of Engineers ®

Construction Bulletin

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CEMP-E

Subject: Year 2000 Compliance

Applicability: GUIDANCE

- 1. PURPOSE:** To provide guidance on accepting and verifying year 2000 (Y2K) compliance.
- 2. BACKGROUND:** The Federal Acquisition Regulation (FAR) was updated effective August 22, 1997 to include Year 2000 compliance language. Part 39.002 defines Year 2000 compliance. Part 39.106 requires that agencies ensure that all solicitations and contracts require information technology to be Year 2000 compliant. An option in Part 6 is to require that non-compliant information technology be upgraded to be Year 2000 compliant prior to 31 December, 1999 or the earliest date on which the information technology may be required to perform date/time processing involving dates later than 31 December 1999.

The term "information technology," as defined in the Clinger-Cohen Act, means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information and includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

The Year 2000 computer problem exists because many computer based systems, equipment containing microprocessors, and supporting software use a two digit date designation, such as 99 for the year 1999. In the year 2000, any computer based system that uses the two digit date designation, will report the date as 1900.

There may be many types of equipment and systems included in military construction contracts that could be affected by the Year 2000 computer problem. The Year 2000 problem only exists in equipment, systems, or software that process dates. For instance, an electronic thermostat that is

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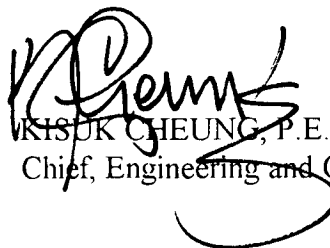
SUBJECT: Year 2000 Compliance

set by selecting the day of the week (Sun, Mon, etc) will not be affected, but an electronic thermostat that is set to a calendar year date (Jan 1, 99) may be affected. Elevator controls, HVAC controls, energy monitoring and control systems, electronic security systems, and many other related systems that control building environments or sub-systems or are used for process control are examples of equipment and systems frequently included in our construction contracts that rely on date and time calculations.

3. IMPLEMENTATION: Construction personnel must determine whether or not each contract under their supervision contains Year 2000 FAR compliance clauses. For those contracts that have Year 2000 compliance clauses, each piece of electronic equipment or system must have a year 2000 compliance statement from the manufacturer, or the contractor may furnish a statement to the effect that all information technology included in the contract is Year 2000 compliant. For those systems that do not process dates, a statement to that effect is sufficient. Contracts that do not have Year 2000 compliance clauses must be modified to require Year 2000 compliance if they contain any information technology, including date sensitive data or as built drawings per the enclosed guidance.

4. POINT OF CONTACT: Point of contact for this action is Bob Fite, 202-761-8626, or E-Mail robert.a.fite@usace.army.mil.

Encl



KRISUK CHEUNG, P.E.

Chief, Engineering and Construction Division

DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:
CEPR-P (715)

1 JUL 1998

MEMORANDUM FOR COMMANDERS/DIRECTORS, ALL USACE COMMANDS

SUBJECT: Construction/Architect and Engineer Contract Y2K Direction/Language

1. Reference:

a. CEIM-P, memorandum dated 20 April 1998, subject: "Year 2000" or "Y2K" and Infrastructure.

b. SARD-PP, memorandum dated 21 October 1997, subject: Assuring Year 2000 Compliance in Information Technology (IT) Contracts. (Enclosed)

2. In furtherance of the referenced memorandum 1a, all new solicitations expected to result in a construction contract shall, effective immediately, include the requirement for Y2K compliance. This requirement should, in most cases, be stated in Section 00800, Special Contract Requirements, of the contract.

3. The following language recommended for inclusion in Section 00800 of construction contracts is intended to standardize the Y2K requirement throughout the Corps:

Year 2000 Compliance:

a. In accordance with FAR 39.106, the contractor shall ensure that with respect to any design, construction, goods, or services under this contract as well as any subsequent task/delivery orders issued under this contract (if applicable), all information technology contained therein shall be Year 2000 compliant. Specifically:

b. New Contracts. The contractor shall:

(1) Perform, maintain, and provide an inventory of all major components to include structures, equipment, items, parts, and furnishings under this contract and each task/delivery order which may be affected by the Y2K compliance requirement.

(2) Indicate whether each component is currently Year 2000 compliant or requires an upgrade for compliance prior to government acceptance.

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SUBJECT: Construction Contract Y2K Direction/Language

c. Existing Contracts. For existing construction contracts which presently do not contain the requirement for Y2K compliance, use the statements in paragraphs a and b above, to effect any required modification to the contract.

d. Architect and Engineer Contracts. The following language is provided for requesting Y2K compliance to be included in all products:

"Year 2000 Compliance; the Architect/Engineer (A-E) shall insure that the hardware, firmware, software, and information technology systems separately or in combination with each other or other elements specified in the documents developed under this contract shall be year 2000 compliant in accordance with FAR 39.106."

4. The Y2K contract compliance language provided for IT supply and services contracts in reference I b remains in effect.

5. In addition, you are requested to include in your Commander's Year 2000 (Y2K) Readiness Survey Certification to the USACE, Deputy Commanding General, a list of all identified active contracts that do not, but should have included Y2K compliance language, and what actions are being taken to obtain compliance in those contracts.

6. Questions may be addressed to my point of contact for this action is LTC Martin R. Tillman at (202) 761-8641.

FOR THE COMMANDER:

/S/

Encl

BUNNATINE H.GREENHOUSE
Principal Assistant Responsible
for Contracting

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103
21 OCT 1997

REPLY TO
ATTENTION OF

SARD-PP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Assuring Year 2000 Compliance in Information Technology (IT) Contracts

Because of the concerns expressed, throughout Army about whether or not the Government has appropriate and effective remedies in place to ensure satisfactory functionality of information technology equipment between the 20th and 21st centuries, we have developed language which should be incorporated into future solicitations for new information technology contracts. Language is also provided to modify existing information technology supply and maintenance contracts as deemed appropriate.

In addition to the above cited language, the use of warranties is permitted and encouraged if they are used in accordance with FAR Subpart 46.-7. This includes tailoring of appropriate clauses such as 52-246-1 9 and 52-246-20 to indicate that Year 2000 Compliance is warranted, and to state that the warranty period runs through a particular date (e.g., December 31, 2002). In addition to the remedies available under the Inspection and Acceptance clauses (i.e., rejection or pursuit of a latent defect claim), warranty clauses provide other remedies against contractors that furnish nonconforming information technology products or services. Warranties may be cost effective for many mission-critical systems, and the warranty clause may have a defect prevention effect that is far more valuable than any monetary recoveries that might ever be sought under such clauses.

Use of the solicitation language in conjunction with appropriate use of tailored warranty clauses should provide the flexibility and protection of Government's interests we need in procuring critical information technology products.

Point of contact for this action is Mrs. Esther Morse, DSN 761-1040, Commercial (703) 681-1040.

/s/

Enclosure

John R- Conklin
Director

Procurement and Industrial Base Policy

RECOMMENDED LANGUAGE FOR INCLUSION IN CONTRACTS FOR COMPUTER

HARDWARE, SOFTWARE AND STEMWARE

For new contracts, the contracting office, when soliciting or awarding contracts for newly developed or commercial off-the-shelf products or systems consisting of hardware, software, firmware, middleware, or a combination thereof, shall use the following language, tailored as appropriate, in performance specifications, statements of work, or descriptions of tasks under task order contracts.

The contractor shall ensure products provided under this contract, to include hardware, software, firmware, and middleware, whether acting along or combined as a system, are Year 2000 compliant as defined in FAR Part 39.

For existing IT supply and maintenance contracts, the Contracting Office, when modifying an existing supply or maintenance contract for hardware, software, firmware, middleware or combinations thereof which will continue in use beyond December 31, 1999, shall use the following language, tailored as appropriate, in performance specifications, statements of work, or descriptions of tasks under task order contracts.

The contractor shall accomplish and document modifications necessary to ensure products previously provided, or products to be provided or maintained in the future under this contract, to include hardware, software, firmware, and middleware, whether acting along or combined as a system, shall be Year 2000 compliant as, defined in FAR Part 39.